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August 2, 2005

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

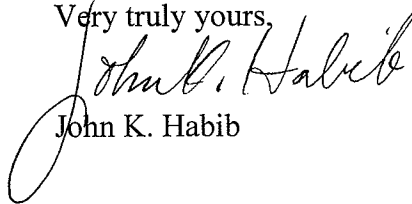
Re: Bay State Gas Company, D.T.E. 05-27

Dear Secretary Cottrell:

On behalf of KeySpan Energy Delivery New England (the "KeySpan"), please find attached its response to information request DTE-KED-1-2. With this filing, KeySpan has responded to all discovery questions asked of it in this proceeding.

Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in dark ink, appearing to read "John K. Habib", written over the typed name.

John K. Habib

cc: Caroline Bulger, Hearing Officer
Andrew Kaplan, General Counsel
John Cope-Flanagan, Assistant General Counsel
George Yiankos, Director, Gas Division
Robert Dewees, Esq.
Service List

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

FIRST SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF
TELECOMMUNICATIONS AND ENERGY TO BOSTON GAS COMPANY

BAY STATE GAS COMPANY
D.T.E. 05-27

Respondent: Joseph F. Bodanza, Jr.

Date: August 2, 2005

Information Request DTE-KED-1-2

- Q. For each of the years 1993 through 2004, please provide by rate class, with corresponding company totals, the following items:
- (1) the number of bad debt accounts by season with corresponding annual totals;
 - (2) the number of therms by season with corresponding annual totals associated with the bad debt accounts in Item (1); and
 - (3) estimates of the \$ per therm cost of bad debt by season with corresponding annual estimates.

Describe the Company's method and all assumptions used. Provide a copy of the response in electronic readable medium (compact disk)

- A. Please see the attached schedule (Attachment DTE-KED-1-02) providing the data available for the years 2000 through 2004. Please note that the CRIS system was implemented in mid-2002 with three years of historical data converted from the prior Customer Service System ("CSS"). Therefore detailed historical data on bad-debt writeoffs (*i.e.*, by rate class and by season) is not available for years prior to 2000. In addition, bad-debt writeoffs by season are not available for the years prior to 2003. Lastly, the Company does not store "number of therms" relating to bad debt as a datapoint, therefore this information is not available.

Please note that the Attachment reflects *gross* bad-debt writeoffs only. The CRIS system does not store recoveries by rate class and thus, data in this format is not readily available. Recoveries of amounts previously written off to bad-debt are recorded on the Company's books in the aggregate, not as adjustments to individual accounts through CRIS. In addition, the bad-debt writeoffs tallied by CRIS each month will not tie precisely to the monthly or annual booked amounts

because of timing differences. For example, when an account is written off to bad debt in the CRIS system, it posts an entry to a ledger account for the *total* writeoff amount. Amounts recorded to the ledger account are picked up by accounting consistent with its closing schedule and then adjusted for bad-debt recoveries. However, at the same time, customer transactions in the CRIS system are occurring on a continual basis regardless of the accounting closing schedule.

Per the Department's request, a copy of this spreadsheet also is being provided electronically.

**Attachment
DTE-KED 1-02**

Rate	2000		2001		2002	
	Amount	# Customers	Amount	# Customers	Amount	# Customers
R-1	\$ 1,131,939	10,724	\$ 908,075	9,496	\$ 1,592,606	12,736
R-2	\$ 46,417	212	\$ 35,114	163	\$ 30,853	187
R-31	\$ 10,501,261	24,283	\$ 9,756,627	25,805	\$ 13,426,964	27,842
R-32	\$ 460,763	814	\$ 342,541	828	\$ 503,334	733
G-41	\$ 489,061	1,052	\$ 623,060	1,304	\$ 706,837	1,233
G-42	\$ 266,500	221	\$ 301,564	252	\$ 279,473	225
G-43	\$ 313,494	128	\$ 375,234	134	\$ 608,260	169
G-44	\$ 20,228	10	\$ 55,016	6	\$ 69,852	7
G-51	\$ 180,490	391	\$ 179,253	538	\$ 330,475	524
G-52	\$ 94,800	114	\$ 140,614	221	\$ 259,067	183
G-53	\$ 107,207	51	\$ 64,696	76	\$ 251,898	77
G-54	\$ 76,796	6	\$ 112,085	3	\$ 8,064	12
G-61	\$ 2,655	9	\$ 64	4		
G-62	\$ -	1	\$ -	2	\$ 2	1
G-63	\$ 1	1				
Other	\$ 10,973	2	\$ 52,166	16	\$ 234,663	20
Total	\$ 13,702,587	38,019	\$ 12,946,108	38,848	\$ 18,302,349	43,949

Rate	2003			2004		
	Off Peak	Peak	Annual	Off Peak	Peak	Annual
	Amount	# Customers	Amount	Amount	# Customers	Amount
R-1	\$ 865,487	5,780	\$ 934,696	\$ 1,024,598	6,107	\$ 1,580,666
R-2	\$ 42,423	211	\$ 45,934	\$ 31,895	151	\$ 83,098
R-31	\$ 8,859,961	13,720	\$ 6,908,732	\$ 11,942,608	16,757	\$ 19,447,242
R-32	\$ 644,562	901	\$ 670,888	\$ 862,904	948	\$ 1,818,110
G-41	\$ 590,464	819	\$ 264,519	\$ 877,066	914	\$ 1,169,574
G-42	\$ 437,313	187	\$ 103,716	\$ 357,634	170	\$ 516,560
G-43	\$ 815,139	84	\$ 254,771	\$ 875,830	104	\$ 929,948
G-44				\$ -		\$ (13,826)
G-51	\$ 196,728	298	\$ 153,647	\$ 279,063	304	\$ 391,679
G-52	\$ 80,198	65	\$ 91,365	\$ 140,196	71	\$ 253,081
G-53	\$ 355,437	37	\$ 96,270	\$ 178,830	24	\$ 259,541
G-54				\$ -		\$ (3,399)
G-61				\$ -		\$ (3,036)
G-62				\$ -		\$ -
G-63				\$ -		\$ -
Other**	\$ 200,343	19	\$ 74,777	\$ 24,648	15	\$ 111,996
Total	\$ 13,088,055	22,121	\$ 9,599,315	\$ 16,595,272	25,565	\$ 26,541,234

**Other includes bad debt writeoffs associated with G-44 and G54 rate classes.